notified by the Government for the employees of LIC and GIC was on the lines of the wage revision in the banking industry and has resulted in about 10.5% increase in the wage bill. As a result of the revision, a majority of the employees has got substantial increase in the gross emoluments. For a small section of the employees, whose gross emoluments suffered a reduction, a provision has already been made for the grant of a temporary adjustment allowance to ensure that there is no reduction in the gross emoluments.

The above mentioned improvement in the wage package is in addition to the benefits of an across the board computer increment and an index-linked pension scheme given to the insurance employees immediately before the wage revision. Taken together, these benefits have resulted in more than 20% increase in the wage bill of the insurance industry. In view of the financial constraints and to protect the interests of the policyholders no other benefits to the insurance employees are under consideration of the Government at present.

Proposal to Open Central Medical Institute

1832. SHRI YERRA NARAYANA-SWAMY: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether there is a proposal to open a Central Medical Institute under Government ageis in every State;

(b) whether it is a fact that adequate medical facilities are not available in differant states; and

(c) steps proposed to meet the health needs of the public?

THE MINISTER OF STATE OF THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI SALEEM IQBAL SHERVANI): (a) No, Sir.

(b) and (c) 'Health' being a State subject, it is the responsibility of the State Government to establish hospitals in the States keeping in view their priorities and availability of resources.

Inquiry into Losses of Oriental Insurance Co. LTD.

1833. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have ordered inquiry into the losses suffered by the Oriental Insurance Company Limited during 1995-96;

(b) if so, the factors responsible for losses suffered by OICL;

(c) by when the inquiry report is likely to be submitted to Government; and

(d) what new initiatives Government propose to take OICL out of red?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) No, Sir.

(b) The company has reported that a net loss of Rs. 45.97 Crores was incurred by them during the financial year 1995-96. This is mainly on account of an expenditure of about Rs. 121 Crores incurred by them towards the wage revision to all classes of employees, increase in gratuity liability, and the additional liability towards the recently introduced pension scheme to their employees, which was given retrospective effect from 1.1.1986. Besides, on account of increase in the premium income of the company on net basis, the reserve strain for unexpired risk has also gone up by about Rs. 67 Crores.

(c) Does not arise.

(d) The impact of wage revision, and the introduction of pension scheme which was given retrospective effect, necessitated payment of arrears, which is a one time liability. The impact will be substantially less in the succeeding years. Besides, the performance of the company is continuously monitored by the Board of Directors of the company, which inter-alia includes, the Chairman of a